

MULTIMEDIA



UNIVERSITY

STUDENT IDENTIFICATION NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2018/2019

BKP2014 – MANAGING KNOWLEDGE PERSONNEL

(All sections / Groups)

16 OCTOBER 2018
2:30 p.m – 4:30 p.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This Question paper consists of 5 pages with 2 Sections only.
2. Attempt **ALL** questions in **Section A** and **THREE** out of **FOUR** questions in **Section B**. All questions carry equal marks and the distribution of marks for each question is given.
3. Please write all your answers in the Answer Booklet provided.

SECTION A: CASE STUDY (25 MARKS)

Instruction: Please answer ALL questions.

Mars Incorporated: HR Practices Help Create Sweet Success

You may have enjoyed Mars Incorporated products if you have had M&Ms, Snickers, Lifesavers, Wrigley's Juicy Fruit, or Uncle Ben's Converted Rice. But are you aware that the "Ms" on M&Ms stand for Forrest Mars and R. Bruce Murrie, the son of the president of competitor Hershey's, which supplied Mars with chocolate when there was limited availability of cocoa during World War II? Mars is the third largest private company in the United States with 72,000 employees located in the U.S. and 72 other countries around the world. It operates in six business segments including food, drinks, pet care, chocolate, gum and confections, and symbioscience (a technology-based health and life sciences business focused on product development). Today, Mars includes eleven brands with revenues of \$1 billion or more. Granted some of that success is attributed directly to the quality of and demand for the products that Mars offers consumers (who doesn't like M&Ms?). But a lot of the success is due to the HR practices that Mars uses to attract, motivate, and retain high-caliber employees. This has resulted in Mars ranking #95 on the 2013 Fortune 100 Best Companies to Work For.

It all starts with the Five Principles of Mars— Quality, Responsibility, Mutuality, Efficiency and Freedom—which are the foundation of the company culture and business approach. The Five Principles, found on the walls in its offices and manufacturing plants throughout the world, provide a common bond for all employees regardless of their business segment, location, national language, or generation. All employees are familiar with the Five Principles and they influence their daily work. Mars believes that quality work is the first ingredient of quality brands and the source of the company's reputation for high standards. All associates are asked to take direct responsibility for results, to exercise initiative and judgment, and to make decisions as required. Mutuality refers to the company's belief that all business relationships should be measured by the degree to which mutual benefits are created. The actions of Mars should never be at the expense, economic or otherwise, of others. Efficiency is seen as a strength of the company. It allows the company to organize physical, financial, and human assets for maximum productivity. It also contributes to making and delivering products and services with the highest quality, lowest possible costs, and lowest consumption of resources. Finally, Mars cherishes the freedom of being a privately held company, which allows it to make decisions free of short-term earnings reports and to be financially answerable to no one. This gives management and employees the ability to experiment with ideas and take the time to develop talents for longer-term gains.

Mars employees love the products they make but they also love the HR practices that help put the Five Principles into action. The turnover of non-sales force employees is only 5%. What is responsible for the low turnover as well as \$33 billion in global revenue in 2012? Perhaps one reason is that Mars has an egalitarian workplace with no fancy offices of special perks for managers.

Continued...

Employees are officially called "associates" but because of the unifying value of the Five Principles, they often refer to themselves as Martians. Most employees have to "punch in" at their worksite every day, even the company president. Employees who are late are docked 10% of their pay. Also, the principle of Responsibility means that all employees, not just managers, have a "voice" and are expected to put themselves in the position of the consumer. They are encouraged to speak up rather than ever provide an inferior product or service.

Mars does not offer stock options or company pensions or game rooms or private chefs for its employees. It does provide vending machines that provide employees with free candy, and chewing Wrigley's gum at meetings is encouraged. Perhaps another reason for the low turn-over and high revenues is that employees have many career and development opportunities both within their current business and in new ones. All new employees attend The Essence of Mars training program which introduces and reinforces the Five Principles. Mars also has a corporate university (Mars University) which offers online and classroom-based courses in functional topics as well as on leadership skills. Forty percent of associates have participated in a program offered by Mars University. Also, many employees have mentors, even executives who learn about social media from younger employees. Mars insures that all employees regardless of background have the opportunity to grow and advance. For example, Mars was ranked #25 in the 2012 World's Best Multinational Workplaces list, the world's first global workplace excellence ranking by Great Place to Work®, for its high percentage of women in executive and senior management positions.

Or, maybe turnover is low and revenues are high because of the bonuses that employees can earn which range from 10 to 20% of their salaries if their team performs well. Contributing to employees' motivation to earn their bonuses is the availability of performance data. Flat screens displays current financials including sales, earnings, cash flows, and factory efficiency. Mars also encourages community involvement, which gives employees opportunities to gain new insights and make meaningful contributions. The Mars Volunteer Initiative offers paid time off for associates to clean parks, teach courses, help pets find homes, work in medical clinics, and plant gardens. In 2012, employees devoted 50,000 hours to volunteering! The Mars Ambassadors is a select program in which employees spend six weeks working with Mars partners in developing areas of the world. In late 2012, seven Mars Drinks Associates travelled from all over the globe and met in Kenya. Their objective was to learn about the coffee farming process and about how Mars Drinks supports and improves the farming business through a partnership with Sustainable Management Services (SMS). During their week-long trip, that objective was met, and the experience became much more than a simple learning opportunity. As one Drinks Associate from France noted, "I realized that selling or buying coffee in Europe can have great repercussions in third world countries." Sustainability is not just a marketing operation but is a way of living and needs to be sponsored by everyone.

SOURCE: Based on D. Kaplan, "Inside Mars," Fortune, February 4, 2013, p. 82; www.mars.com, website for Mars Incorporated, accessed March 15, 2013.

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QUESTION 1

- a) The success of Mars Incorporated is due to the HR practices to attract, motivate, and retain high-caliber employees. This has resulted in Mars ranking #95 on the 2013 Fortune 100 Best Companies to Work For. Identify and discuss **FOUR (4)** HR practices which you believe are critical for the success of Mars Incorporated.

(16 marks)

- b) Mars believes that quality work is the first ingredient of quality brands and the source of the company's reputation for high standards.

(i) Define the '*Total Quality Management (TQM)*' and '*Lean Thinking*'.

(4 marks)

(ii) Provide the **FIVE (5)** TQM core values that can be applied at Mars Incorporated.

(5 marks)

(Total: 25 marks)

SECTION B: STRUCTURED QUESTIONS (75 MARKS)

*Instruction: Answer **THREE** out of **FOUR** questions.*

QUESTION 2

- a) In spite of the increasing frequency of downsizing, research reveals that it is far from universally successful for achieving the goals of increased productivity and profitability.

(i) Define the term 'downsizing'.

(3 marks)

(ii) Companies can use directional strategies to cope with growth or downsizing. Identify and discuss the **FOUR (4)** types of directional strategies.

(12 marks)

Continued...

- b) Assume you are the manager of KFC Restaurant at Melaka branch. What are the outputs of your work unit? What activities are required to produce those outputs? What are the inputs?

(10 marks)

(Total: 25 marks)

QUESTION 3

- a) Your organization has three business units. One unit is a long-established manufacturer of a product that competes on price and has not been subject to many technological innovations. The other two business units are just being started with no product yet, but they are developing a new technology for testing the effects of drugs on people via simulation instead of through lengthy clinical trials. Would you recommend the three business units to have the same pay programs for recognizing individual contributions? Support your opinion with appropriate arguments.

(10 marks)

- b) A successful expatriate manager must be sensitive to the country's cultural norms, flexible enough to adopt to those norms, and strong enough to make it through the inevitable culture shocks.

- (i) Identify **THREE (3)** skills or abilities of successful expatriate managers.

(9 marks)

- (ii) Suggest any **TWO (2)** training and development activities that suit to expatriates.

(6 marks)

(Total: 25 marks)

Continued...

QUESTION 4

- a) Which **FIVE (5)** types of specific skills (such as knowledge of using Web 2.0 tools) do you think HR professionals will need in order to have the business, professional/technical, management, and integrative competencies necessary in the future? Where can you seek to develop each of these skills?

(10 marks)

- b) Define profit sharing and gainsharing. What are **TWO (2)** differences between gainsharing and profit sharing plans? Identify any **SEVEN (7)** conditions for effective gainsharing.

(15 marks)

(Total: 25 marks)

QUESTION 5

- a) Job analysis refers to the process of getting detailed information about jobs. It is important for organizations to understand and match job requirements and people to achieve high-quality performance.

- (i) Identify **TWO (2)** types of job analysis information.

(5 marks)

- (ii) List out **FIVE (5)** examples of job analysis information for Quality Engineer at Summer Intern Company.

(10 marks)

- b) How can a global company manage the inevitable conflicts that will arise among individuals from different religious, racial, ethnic, and national backgrounds who must work together within a firm? How can these conflicts be overcome to create a productive work environment?

(10 marks)

(Total: 25 marks)

End of Paper